

2003

ANNUAL REPORT

STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL



William G. Holland, Auditor General

SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TDD: 217/524-4646



CHICAGO OFFICE:
STATE OF ILLINOIS BUILDING • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

March 1, 2004

Honorable Members of the General Assembly
The Legislative Audit Commission
The Honorable Rod Blagojevich, Governor
Citizens of Illinois

Ladies and Gentlemen:

Enclosed is the Annual Report of the Auditor General's Office for the year ended December 31, 2003, submitted in compliance with Section 3-15 of the Illinois State Auditing Act.

Since assuming this position in 1992, my consistent commitment has been to present objective, balanced and independent audits. I believe this annual report reflects the success of my office in meeting that goal during 2003. It will continue to be my goal during the coming year.

I thank all those who made possible the reported accomplishments, including members of the General Assembly, members and staff of the Legislative Audit Commission, and the staff of the Auditor General's Office.

Yours truly,

A handwritten signature in black ink, appearing to read "William G. Holland". The signature is stylized and includes a long, sweeping line that extends upwards and to the right, ending in a sharp point.

WILLIAM G. HOLLAND

Auditor General

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Since August 1992, William G. Holland has served as Auditor General of the State of Illinois. He was appointed by the General Assembly to a ten-year term effective August 1, 1992, and unanimously appointed to a second ten-year term, effective August 1, 2002.

As a constitutional officer, the Auditor General audits public funds of the State and reports findings and recommendations to the General Assembly and to the Governor. The establishment of the Auditor General under the Legislature is important. It ensures that the Legislature, which grants funds and sets program goals, will ultimately review program expenditures and results. Thus, agencies are accountable to the people through their elected representatives.

The Auditor General's office performs several types of audits to review State agencies. Financial and Compliance audits are mandated by law. They disclose the obligation, expenditure, receipt, and use of public funds. They also provide agencies with specific recommendations to help ensure compliance with State and federal statutes, rules and regulations.

Performance audits are conducted at the request of legislators to assist them in overseeing government. Programs, functions, and activities are reviewed according to the direction of the audit resolution or law directing the audit. The General Assembly

may then use the audit recommendations to develop legislation for the improvement of government.



Information Systems audits are performed on the State's computer networks. They determine whether appropriate controls and recovery procedures exist to manage and protect the State's financial and confidential information.

Copies of all audits are made available to members of the Legislature, the Governor, the media, and the public. Findings include areas such as accounts receivable, computer security, contracts, expenditure control, leases, misappropriation of funds, personnel and payroll, property control, purchasing, reimbursements, telecommunications, and travel.

Audit reports are reviewed by the Legislative Audit Commission in a public hearing attended by agency officials. Testimony is taken from the agency regarding the audit findings and the plans the agency has for corrective action. In some cases, the Commission may decide to sponsor legislation to correct troublesome fiscal problems brought to light by the audit. All outstanding recommendations are reviewed during the next regularly scheduled audit of the agency; or, if the Commission requests, a special interim audit may be conducted. ❖

PUBLIC INFORMATION

An audit and its supporting workpapers, unless confidential by, or pursuant to, law or regulation, are public documents once the report has been officially released to the Legislature, the public, and the press. These documents are available for review in our Springfield and Chicago offices.



The following information is also available by request:

- Late Filing Affidavits
- Emergency Purchase Affidavits
- Professional or Artistic Services Affidavits
- Contractual Services Certifications

Information about the Auditor General is available on the Internet. This information includes current digests of Financial/Compliance audits and the year each Illinois State agency is audited. Also available is information on our Performance and Information Systems audits.

PUBLIC INFORMATION IS AVAILABLE BY WRITING:

**FOIA Officer
Office of the Auditor General
Iles Park Plaza
740 E. Ash St.
Springfield, IL 62703-3154**

OUR INTERNET WEB SITE ADDRESS IS:
<http://www.state.il.us/auditor>

OUR E-MAIL ADDRESS IS:
auditor@mail.state.il.us

SpringfieldTelephone: (217) 782-1055
Fax: (217) 785-8222

ChicagoTelephone: (312) 814-4000
Fax: (312) 814-4006

TTY: (888) 261-2887

PUBLIC INFO.

CONTINUING EDUCATION AND TRAINING REQUIREMENTS

The U.S. General Accounting Office (GAO) has established the Government Auditing Standards to ensure government auditors maintain competence, integrity, objectivity, and independence in conducting audits.



The general standard related to competence specifies that auditors assigned to the audit should collectively possess adequate professional competence for the tasks required. This standard establishes Continuing Professional Education (CPE) requirements for auditors who are responsible for planning, directing, performing, and reporting on government audits conducted in accordance with the Government Auditing Standards.

This training requirement first became effective January 1, 1989, and states that every two years auditors should complete at least 80 hours of CPE that enhance the auditor's professional proficiency to perform audits. A minimum of 24 hours of CPE should be in subjects directly related to government auditing, the government environment, or the environment in which the audited entity operates. At least 20 of the 80 hours should be completed in any one year of the two-year period.

The most recently completed two-year period for training requirements as measured by the Office of the Auditor General was January 1, 2000, through December 31, 2002. All auditors, audit directors, and information specialists required to meet the training standard were in compliance for this two-year period.

Additionally, the Office of the Auditor General is a registered sponsor with the Department of Professional Regulation, and complies with the rules of the Illinois Public Accounting Act. ❖

TRAINING

THE COMPLIANCE AUDIT PROGRAM

The Auditor General is required by the Illinois State Auditing Act to conduct a financial and compliance audit of every State agency at least once every two years. These audits inform the public, the Legislature, and State officers about the obligation, expenditure, receipt, and use of public funds, and provide State agencies with specific recommendations to help ensure compliance with State and federal statutes, rules, and regulations.



The Compliance Audit Division conducted 156 compliance, financial, federal, and special audits in 2003. Staff auditors conducted 10 of these audits. The remaining audits were performed by public accounting firms under the general direction and management of the Auditor General's audit managers.

The compliance audit program has a positive impact on the operations of State government because agencies implement many of the recommendations made in these audits. Compliance audits are also reviewed by the Legislative Audit Commission, where legislators question agency directors about audit findings and the corrective action they plan to take. Legislators and their staffs also use compliance audits during appropriation hearings in the spring legislative session. To maximize the usefulness of audit information, the Office attempts to deliver audits as early as possible in the legislative session.

OVERVIEW

ACCOUNTABILITY

A number of compliance audits issued in 2003 had findings that were important from an accountability perspective.

UNTIMELY BILLING OF TOLL VIOLATORS

The Illinois State Toll Highway Authority did not bill toll violators timely.

Toll violators were not being billed on a regular basis. No billings were sent during one month. For the other eleven months only limited billings were sent. In total, 895 invoices for \$953,049 were sent to toll violators in calendar year 2002.

The account receivable balance for toll violations as of December 31, 2002 was \$2,358,901, representing amounts billed but uncollected as of that date. The allowance for bad debts for these receivables is \$1,837,414, which equals the amounts over one year old. The net receivable balance was \$521,487. Currently, the Authority has outsourced a portion of the violator billing and collection process. The backlog of past violators is being processed. This finding has been repeated since 2000.

We recommended the Authority send out invoices on a monthly basis to toll violators and pursue unpaid amounts.

The Authority responded that it has retained an outside vendor with national expertise in this field to issue notices to toll violators.

INADEQUATE PROCEDURES REGARDING EXCESS LAND

The Illinois Department of Transportation did not have adequate procedures regarding the use and disposition of excess land.

The Department has acquired numerous properties in previous years through acquisition and eminent domain proceedings for future highway construction. Some of these properties are currently

not being used. Department officials stated that no comprehensive inventory of excess land has been maintained. Currently, it is not possible to identify these properties and determine their potential future use because no formal assessment of the use of each significant parcel of excess land is performed. Management stated that the Department relies on external parties who are interested in the purchase of excess land to inquire of the Department about a potential sale.

We recommended the Department follow written policies and procedures to control the use and disposition of excess land. The excess land should be inventoried and a complete listing should be compiled and updated on a monthly basis. We also recommended the Department revise its current policies and procedures to require that a periodic evaluation of the use of each significant parcel of excess land be performed by the District Engineer so that excess land can be identified and disposed.

Department officials responded that they will compile a listing of all excess land and review and revise applicable policies and procedures as necessary.

INADEQUATE MONITORING OF CONTRACTORS

The Department of Commerce and Community Affairs paid 25 information systems contractors over \$1.94 million in fiscal year 2002. Nine contractors received payments of over \$100,000, with four receiving payments of over \$150,000.

Our review of the contracts and documentation supporting payments identified numerous problems, including the following:

- The Department had expenditures of over \$102,000 for training-related costs for the contractors, including payment of training course fees, travel reimbursements, and contracted hourly fees to attend the training courses;
- Contracts require contractors to provide detailed timesheets outlining the work completed and the

time it took; however, the majority of timesheets were submitted for payment and paid without the required detail;

- The Department made payments totaling \$23,700 to contractors without supporting documentation (timesheets);
- Documentation attached to invoice vouchers indicated that contractors were paid for 71 hours of holiday, vacation, and sick time totaling \$4,459. In addition, contractors also billed for and were paid \$1,008 for hours where they were listed as “out” on the submitted timesheet; and
- The Department paid a contractor over \$1.3 million for the development of a web site. However, the contractor went out of business, and prior to making the final payment, the Department did not receive adequate documentation for the web site or the source code file to permit the Department to efficiently and effectively maintain the web site.

Without proper monitoring of contractors, there exists an increased risk that contractual requirements will not be met and that inappropriate or excessive reimbursements will be made.

We recommended the Department perform a detailed review of its contract monitoring process to ensure that contractors are complying with contractual requirements, effectively performing duties, being paid for hours worked, and meeting the needs of the Department.

Department officials responded that they partially agreed with this recommendation and have further reviewed their process for monitoring Information Technology contractual vendors. The Department believed it had met the intent and substance of the recommendation. Additionally, during the audit period, the Department initiated a project to fully automate the Information Technology Office’s timekeeping function for contractors. This system contains supporting documentation for contractors’ payments and requires management review.

INADEQUATE PROCEDURES REGARDING STATE VEHICLES

The Department of Natural Resources did not have adequate controls over its State vehicles. We noted the following:

- 8 out of 25 personally assigned vehicles were not approved in writing by the Director, as is required;
- 25 out of 314 employees in FY 2001 and 30 out of 319 employees in FY 2002 reported driving their assigned vehicles less than 1,000 miles during a three-month period. Personally assigned vehicles were not evaluated annually to determine that the assignment was still justifiable and in the best interest of the State;
- 2 out of 9 employees did not effectively utilize the Department’s vehicle fleet. These travelers were approved to use their personal vehicles between 6,389 miles and 14,690 miles, resulting in reimbursement totaling as much as \$4,638;
- 30 out of 60 accidents involving State vehicles were not reported in a timely manner. The reports were submitted between 1 and 371 days late;
- Odometer readings were not maintained consistently for all vehicles; and
- Documentation to ensure its approximately 1,600 vehicles were adequately maintained was not readily available.

We recommended the Department strengthen its controls regarding State vehicles in regards to the items noted.

Department officials agreed with our recommendation and stated they have initiated a thorough evaluation of its vehicle management process. As part of the evaluation, the Department will review all assignments to ensure they are in the best interest of the State and ensure documentation of the Director’s approval of vehicle assignments is retained. In addition, the Department will develop procedures to require an annual review of vehicle assignments, and will strengthen its procedures for monitoring employee use of personal vehicles and for documenting odometer readings and maintenance records.

FAILURE TO PROVIDE NOTIFICATION OF RELEASE OR ESCAPE FROM THE DEPARTMENT'S JUVENILE DIVISION

The Department of Corrections did not provide written notification of the release or escape of persons from the Department's Juvenile Division as required by the Unified Code of Corrections.

During our testing of individuals released from the Juvenile Division, we noted:

- The Department did not notify the State's Attorney of the county from which the offender was convicted for 4 out of 20 files tested;
- The Department did not notify the Sheriff of the county from which the offender was convicted for 5 out of 20 files tested;
- The Department did not notify the State's Attorney of the county into which the offender was to be paroled or released for 8 out of 20 files tested;
- The Department did not notify the Sheriff of the county into which the offender was to be paroled or released for 8 out of 20 files tested;
- The Department did not notify the municipal law enforcement agency where the arrest occurred, where the offender had resided, or where the commission of offense took place for 10 out of 20 files tested; and
- The Department did not notify the public housing agency where the offender resides, has resided, or will reside upon release for 10 out of 20 files tested.

During our testing of the files of escaped juveniles, we noted:

- In the two juvenile escapes noted during the audit period, the Department did not notify the persons or agencies required; and
- The Department's Administrative Directives did not include procedures for notification to the persons and agencies required by statute.

We recommended the Department follow the mandated reporting requirements and provide written notification of the release and/or escape of any person from the Juvenile Division to persons and agencies specified by the Unified Code of Corrections.

The Department accepted our recommendation and noted the Juvenile Division has revised the "Notice of Release/Discharge from Juvenile Facilities" form to include juvenile delinquent paroles, juvenile felon mandatory releases, escapes and runaways.

LACK OF POLICY ON RESERVING UNCOLLECTIBLE AMOUNTS

The Department of Children and Family Services did not have a policy on reserving uncollectible amounts due from current and former service providers. The Department has a policy for advance funding private agencies, group homes, and institutions at the beginning of the service month. The Department refers to these monies as "Current Funding" to service providers. Current Funding amounts are estimates of the monthly service billings the Department expects to get from the service provider. When the provider sends in billing statements for the month, the Current Funding balance is reduced and the appropriate expenditure adjusted on the Department's books. The total amount advanced at any month end is approximately \$7 million to a total of 300 service providers. The providers are required to reimburse the Department for any monies advanced that are not expended in a timely fashion. After the end of a fiscal year, the Department requires reimbursement from overpaid providers by mid-October of the new fiscal year, approximately 100 days after the end of the Department's fiscal year. Those organizations that do not reimburse by mid-October will have their funding cut for the subsequent period.

We noted 28 of the providers advanced funds will never reimburse the Department because they are no longer in business or have amounts in dispute. We noted over \$2 million of the amount of advanced funds relates to contracts for fiscal year 1999 and

prior. Some of the providers have been turned over to the Comptroller's Offset System. Our analysis indicates that nearly the entire \$2 million of advanced funds relating to contracts for fiscal year 1999 and prior should be reserved as uncollectible under generally accepted accounting procedures.

Department officials agreed with our recommendation to conduct an analysis of the balances in question and pursue establishing a reserve account for those balances determined to be uncollectible.

UNREPORTED AND UNRECORDED LOCALLY HELD FUND

The Department of Central Management Services operated a locally held bank account without statutory authority, without filing reports with the State Comptroller, and without reporting the fund to the Auditor General.

The Department used additional rent receipts totaling \$467,292 from a renegotiated rental agreement to open a locally held escrow trust account. The locally held account was used for paying remodeling costs of certain space in the James R. Thompson Center.

The Department lacked statutory authority to create this locally held fund, did not notify the Auditor General of the existence of the fund, did not file any quarterly reports of receipts and disbursements (C-17's) for this fund, and did not include the locally held fund in its GAAP Reporting Packages for the year ended June 30, 2001. The fund balance of \$58,000 at June 30, 2002 was transferred into the General Revenue Fund.

Department officials indicated that the locally held fund was created to ensure sufficient funds were available for the remodeling costs. They further indicated that failure to obtain authority and failure to report and record the locally held fund was an oversight.

Department officials agreed with our recommendation to comply with applicable laws with respect to reporting and recording fund activities. Department officials also indicated that a policy is being developed to require that the accounting department be notified when any new account is created.

INDEPENDENT REVIEW OF COMPUTERIZED INFORMATION SYSTEMS CONTROLS NOT CONDUCTED

The Illinois Racing Board did not obtain reviews of the computerized totalizator systems used at racetracks under the Board's jurisdiction.

According to the Board's Annual Reports, the totalizator systems calculated total calendar year wagers of \$1.11 billion and \$1.10 billion for 2001 and 2000, respectively. Of the total wagers, approximately \$26 million in combined State and local government tax revenues were received for calendar years 2001 and 2000.

These systems are the means for the racetracks to accept bets and cash winning tickets. These systems also are the Board's primary source of information for monitoring tax revenues. The totalizator systems vendors have the responsibility to ensure that all processing is complete and accurate.

The Illinois Horse Racing Act of 1975 vests the Board with the power to prescribe reasonable rules and regulations to provide for the prevention of practices detrimental to the public and to promote the best interest of horse racing. It would be prudent to require an independent review of each vendor's information systems environment.

We recommended the Board obtain independent reviews of each of the totalizator system vendors. Board management agreed with the recommendation and said the two vendors are in the process of contracting with a third party to review the computerized systems.

INADEQUATE CONTROLS OVER FOOD COMMODITIES INVENTORY

The Illinois State Board of Education did not have adequate controls over its food commodities inventory, totaling \$2,534,000 at June 30, 2002 and \$2,220,000 at June 30, 2001. We noted the following:

- The Agency did not adequately monitor receipts, distributions, and the physical count of the food commodities inventory held by an independent warehouse and distribution center;
- The Agency was unable to determine receipts and disbursements of \$32 million for Fiscal Year 2002 until five months after the fiscal year end;
- The Agency did not calculate the fiscal year 2002 and 2001 account receivable assessments of \$81,000 and \$22,000 until 5 months and 4 months after the fiscal year end, respectively;
- 11 of 60 food commodities (18%) selected for physical test counts did not agree to warehouse inventory records, resulting in a net overstatement of approximately \$3,600;
- The Agency did not maintain inventory records throughout the fiscal year, leading to a net overstatement of \$77,435 of food commodities at June 30, 2002;

- The Agency's detailed distribution lists did not agree to the Agency's summary report of distributions from the same computer system for 13 of 25 food commodities selected for testing. Further, the Agency's summary report did not agree to the warehouse distribution records;
- 2 of 25 food commodities' unit costs (8%) did not match the USDA's Commodity Values Report, resulting in an overstatement of \$54;
- Ending inventory values at June 30, 2002 and 2001 were recorded incorrectly in the Agency's financial statements; and
- A thorough supervisory review of all processes was not performed.

Agency personnel stated that the problems noted above were due to oversight, underutilization of the computer system's capabilities, and the failure to perform monthly reconciliations.

We recommended the Agency implement strong internal controls over its food commodities inventory to ensure compliance with all USDA Food Distribution Regulations and the Fiscal Control and Internal Auditing Act.

Agency officials stated they would make appropriate system changes to comply with USDA Food Distribution Regulations. ❖

STATEWIDE SINGLE AUDIT UPDATE



The purpose of the Statewide Single Audit is to fulfill the State mandate in accepting federal funding. It includes all State agencies that are part of the primary government and expend federal awards. In total, 39 Illinois State agencies expended federal financial assistance in FY 02.

The schedule of expenditures of federal awards reflects total expenditures of \$13 billion for the year ended June 30, 2002. Overall, the State participated in 318 different federal programs; however, 10 of these programs, or program clusters, accounted for approximately 80.1% of the total federal award expenditures.

Overall, nine State agencies accounted for approximately 97.2% of all federal dollars spent during FY02.

Our audit testing focused primarily on the 45 major programs expending more than \$11.9 billion in federal awards. These programs constituted approximately 91.7% of all federal spending.

FEDERAL AGENCIES PROVIDING FEDERAL FUNDING For the year ended June 30, 2002	
U.S. Department	Millions
Health and Human Services	\$ 6,446.7
Labor	2,272.5
Agriculture	1,603.9
Education	1,241.6
Transportation	1,007.5
All Others	449.8
Total Federal Award Expenditures	\$ 13,022.0
<i>Source: FY 02 State of Illinois Single Audit Report.</i>	

SUMMARY OF FEDERAL SPENDING BY STATE AGENCY For the year ended June 30, 2002	
Agency	Millions
Public Aid	\$ 4,692.5
Human Services	2,378.9
Employment Security	2,253.4
Board of Education	1,318.6
Transportation	978.7
Children and Family Services	466.1
Student Assistance Commission	202.8
Commerce and Community Affairs	199.2
Environmental Protection Agency	162.6
All Others	369.2
Total Federal Spending	\$ 13,022.0
<i>Source: FY 02 State of Illinois Supplemental Report of Federal Expenditures by Agency/Program Fund.</i>	

Our report contained 62 findings related to 14 State agencies.

FEDERAL

PEER REVIEW

Peer review is an external quality control review conducted every three years by audit professionals from across the United States who are selected by the National State Auditors Association. The peer review helps to ensure that our procedures meet all required professional standards, comply with Government Auditing Standards, and produce reliable products for the agencies we audit.

The July 2002 peer review of the Auditor General's audit processes resulted in an unqualified (clean) opinion. Additionally, the peer review team did not note any deviations from professional standards that would have required a written letter of comments. Our most recent prior peer reviews, conducted in 1996 and 1999, likewise resulted in an unqualified opinion.

OTHER AUDIT RESPONSIBILITIES

The Auditor General is required by law to annually review the Comptroller's Statewide accounting system. This review is accomplished through the Office's audit of the State Comptroller, and by ensuring that all agency audits are performed in accordance with the Auditor General's Audit Guide.

In addition, the Auditor General annually reviews the State Comptroller's pre-audit function, which is required by law. Pre-audit is the primary control over expenditure voucher processing. The State Comptroller pre-audits financial transactions to determine if they are proper and legal.



FEDERAL

THE PERFORMANCE AUDIT PROGRAM

Performance audits are conducted at the request of legislators to assist them in their oversight function. Based on the scope specified in the resolution or the law requesting the audit, State agencies' programs, functions, and activities are reviewed. The audits determine if resources are used efficiently, economically, and effectively to provide services which the General Assembly intended. Depending on the focus, performance audits are generally referred to as program or management audits.

The General Assembly uses performance audit information to develop legislation to deal with budgetary issues, and to direct agencies to change and improve programs. Some audits produce immediate changes. In other instances, significant changes may not be seen for several years. The length of time it takes to see changes is due to the process of transforming the audit findings and recommendations into legislative bills and converting bills into law; additionally, once a law is implemented, the effects may not be apparent for some time.

For example, Public Act 93-0117, approved July 10, 2003, addresses issues raised by the Auditor General's Management Audit of Agency Use of Internet User Tracking Technology released in January 2002. The Act contains requirements as to the types of "cookies" State agency Web sites can use. The Act defines a "cookie" as a set of computer data or instructions placed on a consumer's computer by a Web site server to collect or store information about the consumer.

The Act also establishes an Internet Privacy Task Force, which will be responsible for exploring the technical and procedural changes that are needed in the State's computing environment to ensure that visits to State Web sites remain private. The Act was effective on January 1, 2004.

In July 2003, the Management Audit of Agency Use of Internet User Tracking Technology received a Recognition of Impact Award from the National Legislative Program Evaluation Society (NLPES). The award is given annually by NLPES for audit reports that demonstrate significant dollar savings, program improvements, and impact from a

legislative and public perspective. The Office previously received the NLPES Certificate of Recognition of Impact for the following audits:



- 2001 State Board of Education and Other State Agencies Providing Funding to Illinois' Regional Offices of Education;
- 2000 Management Audit of Child Support State Disbursement Unit;
- 1999 Management Audit of the Pilsen Little Village Community Mental Health Center; and
- 1998 Management Audit of Tuition and Fee Waivers.

Performance audits directly impact and improve agency operations. The Auditor General released six performance audits in 2003. Those audit reports contained a total of 58 recommendations. State agencies generally accepted the audit recommendations to correct or improve operations.

In addition, the Performance Audit Program has the responsibility for audits of Regional Offices of Education (ROEs) and Intermediate Service Centers (ISCs). In 2003, the Auditor General released 45 audits of ROEs and three audits of ISCs. These 48 audits included a total of 88 recommendations for improvement. ❖

PERFORMANCE

AUDITS COMPLETED IN 2003

ILLINOIS DEPARTMENT OF AGRICULTURE AND THE GRAIN INSURANCE CORPORATION

Legislative Audit Commission Resolution No. 125 directed the Auditor General to conduct a management audit of the Department of Agriculture and the Illinois Grain Insurance Corporation, with regard to the regulation of grain dealers and warehousemen and the administration of the Grain Insurance Fund.

The Illinois Department of Agriculture has the responsibility for licensing and regulating grain dealers and warehouses. According to Department data, as of February 2003, there were 423 State licensed grain dealers and warehouses with 1,148 locations. In August 2001, Ty-Walk Liquid Sales Inc. failed, leaving approximately \$9 million in claims to be paid by the Grain Insurance Fund (GIF). As is required by law, \$4 million was transferred from the General Revenue Fund to the GIF in March 2002 to help pay these claims.

Public Act 93-225, effective July 21, 2003, made changes to the Grain Code that should assist the Department in its regulation and oversight of grain dealers and warehouses.

In addition to the changes contained in the new Act, we concluded that the Department could further strengthen its regulation and oversight of grain dealers and warehouses by:

- Checking the backgrounds of owners, managers, and board members of licensees;
- Requiring a second review and approval of all license applications;
- Providing training to examiners in areas such as accounting and financial fraud detection;
- Having examiners file a conflict of interest or impairment disclosure form either annually or for each examination performed;
- Promulgating rules to implement the new examination requirements in Public Act 93-225;
- Consider requiring training of licensees and implementing a licensure test or training certification program for grain managers/merchandisers; and

- Creating a centralized database with access to all data regarding licensees.

We reviewed the claims process and found that the Department lacks specific procedures outside the Grain Code to ensure that timelines are met and to determine what is a valid claim.

According to the Department, the repayment of \$4 million to the General Revenue Fund should take approximately three years, but it may take longer depending on several variables, including the number or size of future failures, the collection of assessments, or the amount of post draw recoveries. As of June 2003, total assets of the GIF were \$1,166,397, and no funds had been repaid to the General Revenue Fund.

The audit report contained 10 recommendations to the Illinois Department of Agriculture. The Department generally agreed with most of the recommendations.

EXPENDITURES FROM THE GRADE CROSSING PROTECTION FUND

Legislative Audit Commission Resolution No. 123 directed the Auditor General to conduct a management audit of expenditures from the Grade Crossing Protection Fund.

Money in the Grade Crossing Protection Fund is administered by the Illinois Commerce Commission, but appropriated to the Illinois Department of Transportation to assist local jurisdictions (counties, townships, and municipalities) in paying for safety improvements at highway-rail grade crossings on local roads and streets. In carrying out its mandated responsibility, the Commerce Commission orders improvements at public highway-rail grade crossings and bridges that it determines to be in the interest of public safety. The audit concluded the following:

- The Department of Transportation and the Commerce Commission do not have an interagency agreement that clarifies each agency's management responsibilities;

AUDITS COMPLETED IN 2003 (CONT.)

- The Commerce Commission's computer system does not capture certain date information that would allow for more effective analysis and management of Grade Crossing Protection Fund projects;
- The Department of Transportation and the Commerce Commission do not have clear standards for what expenditure documentation is required for projects; and
- The Commerce Commission does not get copies of signal failure reports to help them to assure that adequate warning devices are in place, and which projects or types of projects should be funded.

The audit report contained seven recommendations, four were specifically to the Illinois Commerce Commission, and three recommendations were to both the Commerce Commission and the Illinois Department of Transportation. The Commerce Commission and the Department of Transportation generally agreed with the recommendations.

THE VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUNDS

The Public Utilities Act (220 ILCS 5/8-403.1) requires the Auditor General to conduct an annual financial, compliance, and program audit of distributions received by any municipality from the Municipal Economic Development Fund. Qualified solid waste energy facilities are required to pay into the Fund \$0.0006 per kilowatt hour of electricity for which payment was received during the previous month.

Each audit is to be for distributions from the Fund for the immediately preceding year. This audit, covering distributions during calendar year 2002, is the fourth audit conducted under this requirement.

The Village of Robbins was the only entity to receive distributions from the Fund. The audit concluded that:

- Robbins received \$374,067 from the Fund and earned \$186 in interest income for calendar year 2002. Robbins also reimbursed its Municipal

Economic Development Fund account for previous expenditures of \$35,000;

- Robbins disbursed \$411,464 from Fund receipts. Our review of documentation provided by Robbins concluded that most calendar year 2002 expenditures of Fund receipts appear to be consistent with Public Utilities Act guidelines;
- We questioned whether an expenditure of \$12,715 met the requirements of the Public Utilities Act. This expenditure was part of a settlement payment to a plaintiff in a lawsuit against Robbins; as required by the Act, we referred this matter to the Attorney General; and
- In July 2003, Robbins officials adopted a more detailed spending policy on the use of Municipal Economic Development Funds. This policy contains more specific guidelines over expenditures and requires justification to ensure that each expenditure meets the purposes specified in statutes.

ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Senate Joint Resolution No. 72 directed the Office of the Auditor General to conduct a management audit of the Illinois State Toll Highway Authority (Tollway). The Tollway is governed by the Toll Highway Act, which states that it is in the public interest to provide for a toll highway system. The Act states that toll roads will become freeways when all revenue bonds have been paid.

The Tollway operates 274 miles of toll roads used by 1.2 million vehicles per day. Many segments of the toll roads are 40 years old and, according to the Tollway's Consulting Engineer, require frequent repairs and would be more cost-effective to reconstruct. In March 2002, the Tollway announced a plan to increase tolls by 88% (i.e., increase the base toll rate for cars from 40 cents to 75 cents) to pay for reconstructing the toll roads. Tollway officials said the reconstruction would cost \$5.5 billion over 15 years.

1. Reconstruction Capital Plan. The Tollway lacked

AUDITS COMPLETED IN 2003 (CONT.)

a comprehensive capital plan to support the need for reconstructing and widening the toll roads.

- The Tollway did not review the cost estimate of the \$5.5 billion reconstruction plan submitted by its Consulting Engineer, Consoer Townsend Envirodyne Engineers, Inc. (CTE).
- CTE told us that the \$5.5 billion reconstruction cost estimate was the high-end cost estimate and that less costly alternatives may exist.
- Some documentation to back up the \$5.5 billion reconstruction cost estimate was not prepared until after our request.
- The cost estimation process for the \$5.5 billion reconstruction plan appears to be simplified.

2. Planning. The Tollway needs to improve its operational plans and adequately monitor their implementation.

3. Management Information. The Tollway has some computerized information systems that date back to the late 1970s.

4. Personnel. The Tollway's personnel records contained deficiencies for 15 of the 50 employees sampled. Since 1991, the Tollway has been reimbursing the medical insurance premiums for the dependents of retired employees who have the "High Option Indemnity" insurance. Officials at State Employees' Retirement System and Central Management Services were unaware of any State agency with a similar policy.

5. Money Room. The Tollway needs to enhance security and controls over its toll collection process, including its Money Room.

6. Toll Collection. The Tollway lost \$11 million in 2002 mainly due to toll evasion. The toll evasion rate was three percent, which was higher than most of the 20 toll roads responding to our survey.

7. Toll Rates. Toll rates were last raised in 1983, and the Tollway has gone the longest without an increase in tolls of the 20 toll roads responding to our survey.

The Tollway generally agreed with the 23 recommendations to improve the management of

the Tollway. In January 2003, a new Executive Director was appointed who began making changes that parallel some of the audit's findings.

TEACHERS ACADEMY FOR MATHEMATICS AND SCIENCE

The Illinois House of Representatives adopted Resolution No. 304 on May 25, 2001, directing the Office of the Auditor General to conduct a financial and management audit of the Teachers Academy for Mathematics and Science (Academy). The Resolution directed the Auditor General to determine: whether some grants for the Academy were made by the State Board of Education from programs designed only for individual schools and school districts; whether other grants for the Academy made by the State Board of Education were in excess of their entitlement; whether the Academy has met goals it set with the State Board of Education in return for substantial increases in State funding; and whether the substantial expenditure of State funds over the last five years on the Academy has resulted in improvements in math and science scores at participating schools.

The Teachers Academy for Mathematics and Science provides professional development services for teachers in academically under-performing schools, which often serve students coming from poor families.

The State of Illinois has become the major funding source for the Academy. During Fiscal Year 2001, the Academy received 94% of its total revenue from the State. The General Assembly has appropriated over \$32.5 million to the Illinois State Board of Education (ISBE) for the Academy from Fiscal Years 1995 through 2002. During the audit we found that:

- No formal grant agreement exists between ISBE and the Academy for funding received from ISBE;
- During Fiscal Year 2001, in addition to the \$5.5 million received as a named entity in ISBE's appropriation, the Academy received \$2.28

AUDITS COMPLETED IN 2003 (CONT.)

million in State funds from other ISBE grant programs, which resulted in ISBE foregoing other planned projects around the State;

- While there have been increases in test scores for students taught by Academy-trained teachers, scores also increased for the Chicago Public Schools overall, as well as schools Statewide during the same period. ISBE has performed no analysis to determine whether or not the gains have been commensurate for the funding level received;
- ISBE has established no guidelines to govern the Academy's use of State funds. Additionally, there is an overreliance at ISBE on self-reporting of expenditures by the Academy. These conditions resulted in our questioning costs due to:
 - Lack of documentation to support the expenditure;
 - Overpayment for purchased meals; and
 - Non-program related expenditures.
- The Academy distributed over \$222,000 in excess materials to a school district that already received their required teacher materials for being in the program;
- The Academy was placing interest earned on State funds into an unrestricted account, which is used to finance non-State expenditures; and
- ISBE allowed the Academy to carry over State funds from one fiscal year to the next, although ISBE's documented policy is that carryover of funds for State-funded programs is not allowed.

The audit report contained nine recommendations. The Teachers Academy for Mathematics and Science and the Illinois State Board of Education generally agreed with the recommendations.

GROUP WORKERS' COMPENSATION SELF-INSURED POOLS

Legislative Audit Commission Resolution No. 121 directed the Auditor General to conduct a management audit of the Department of Insurance,

the Office of the Special Deputy Receiver, the Illinois Industrial Commission, and any other State agency with regard to their responsibilities pertaining to Group Workers Compensation Self-insured Pools in the State.

Since the first pool was licensed in 1981, the Department of Insurance has had the statutory responsibility to regulate group workers' compensation self-insured pools. This included the authority to establish standards related to the adequacy of the pools' financing and administration, and to collect assessments to cover pool shortfalls. In 1999 and 2000, four pools were ordered into receivership.

From 1981 to 1999, the Department took no formal action against these pools, even though the Department had identified serious concerns about their operations and/or financial viability:

- The Department's review of annual financial statements and actuarial opinions raised concerns about surpluses, reserve deficiencies, and qualified actuarial opinions; and
- Department examinations identified problems with the organization and membership of the boards of trustees and accuracy of annual financial statements.

The pooling law has been amended at least three times since 1981. In its response to this audit report, the Department cited that it lacked the tools needed to effectively regulate these pools. However, the Department did not provide the auditors with documentation to show that it proposed legislation to correct their perceived "shortcomings" in the law.

The Department increased monitoring of the pools in 1999. Between July 1999 and February 2000, the Department issued corrective orders to three of the four pools. The corrective orders were not effective because the administrator of the pools did not comply with them. Within months, the Department began receivership proceedings against the pools.

The Department's current regulation of pools could be further strengthened, including more effective monitoring of pools' boards of trustees, administrative costs, and rate setting practices.

At the time the four pools went into liquidation,

AUDITS COMPLETED IN 2003 (CONT.)

there were a total of 628 claims for \$18,128,552 outstanding, or an average claim amount of \$28,867.

As of June 25, 2002, the combined assets of the four pools were \$4,187,701. The Group Workers' Compensation Pool Insolvency Fund, as of June 30, 2002, had a balance of \$152,051 and outstanding claims of \$1.1 million.

The report contained nine recommendations to the Department of Insurance.

REGIONAL OFFICES OF EDUCATION AUDITS

In addition to other duties, the Auditor General now has the responsibility for annual audits of the financial statements of all accounts, funds and other

moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State. A total of 48 audits were released in 2003: 45 were of Regional Offices of Education (ROEs), and three were of Intermediate Service Centers (ISCs). Our office arranged for auditing firms to perform these audits under the general direction and management of the Auditor General's audit managers. Of the 48 audits, 28 included recommendations for improvement. There were a total of 88 recommendations for improvement, of which the vast majority related to internal control issues at ROEs. The three most common issues included lack of appropriate controls related to:

- Accounting procedures;
- Segregation of duties; and
- Transferring/deposit of funds.



PERFORMANCE

PERFORMANCE AUDITS IN PROGRESS

CMS SPACE UTILIZATION PROGRAM

The Legislative Audit Commission adopted Resolution No. 126 directing the Auditor General to conduct a management audit of the Department of Central Management Services' administration of the State's space utilization program. The Resolution asks the audit to determine:

- Whether procedures are in place to adequately identify excess and surplus real property;
- Whether such procedures ensure that excess and surplus real property is reasonably considered in fulfilling State agencies' space needs; and
- Whether the process for disposing of surplus real property is adequate and timely.

DEPARTMENT OF HUMAN SERVICES OFFICE OF THE INSPECTOR GENERAL

The Abused and Neglected Long Term Care Facilities Residents Reporting Act requires the Auditor General to conduct a biennial program audit of the office of the Inspector General. The audit is to include the Inspector General's effectiveness in investigating reports of alleged neglect or abuse of residents in any facility operated by the Department of Human Services, and in making recommendations for sanctions to the Departments of Human

Services and Public Health. The Auditor General shall report its findings to the General Assembly no later than January 1 of each odd-numbered year.

REND LAKE CONSERVANCY DISTRICT

Public Act 93-0275 requires the Auditor General to conduct a financial audit, management audit, and program audit of the Rend Lake Conservancy District.

THE VILLAGE OF ROBBINS' USE OF MUNICIPAL ECONOMIC DEVELOPMENT FUNDS

Public Act 90-813 requires the Auditor General to conduct an annual financial, compliance and program audit of the distributions from the Municipal Economic Development Fund during the immediately preceding calendar year, pursuant to Section 8-403.1 of the Public Utilities Act.

REGIONAL OFFICES OF EDUCATION AUDITS

In 2004, the Auditor General's Office will conduct annual audits of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State. A total of 48 audits are to be performed. ❖

THE INFORMATION SYSTEMS AUDITS PROGRAM

Computers are an integral part of State government, processing billions of dollars in financial transactions each year and helping control the operations of State agencies. Since financial transactions and confidential information are processed using computers, audits of information system activities are necessary to ensure that computer processing is secure and accurate.

TESTING CONTROLS AND SYSTEMS

The Auditor General's Office plans to review the information system controls of all State agencies. In 2003, we reviewed the following agencies:

Department on Aging, Office of the Attorney General, Office of Banks and Real Estate, Department of Children and Family Services, Office of the Comptroller, Department of Commerce and Community Affairs, Department of Corrections, State Board of Education, Environmental Protection Agency, Department of Financial Institutions, Illinois State Board of Investment, Illinois Liquor Control Commission, Department of State Police, Teachers' Retirement System, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois.

As end-user computing and access to external entities proliferates in State government, the Auditor General has increased audit efforts in these areas. To enhance the control environment early in the implementation of statewide end-user computing, the Auditor General has emphasized the review of local and wide area networks, as well as internet and

telecommunications security. These reviews have focused on the necessity of establishing consistent and effective security policies and programs, and implementing security techniques such as encryption on all computer systems.



The information systems audit staff also reviewed and tested the systems and procedures at the State's central computer facility operated by the Department of Central Management Services. Through its facilities, the Department provides data processing services to approximately 106 user entities throughout State of Illinois governmental agencies. Auditors tested the facility's controls and the application systems used by many State agencies, such as accounting, payroll, inventory, and timekeeping.

Additional emphasis was placed on the use of Computer Assisted Audit Techniques (CAATs) in the application reviews. Computer programs were developed and executed to verify the integrity and validity of data. No major problems were identified with the data.

Controls at the central computer facility were generally adequate. However, we did recommend that the Department of Central Management Services ensure that disaster contingency resources and procedures are adequate for resumption of data processing following a disaster. ❖

INFO. SYSTEMS

Six agencies – the Community College Board, Department of Children and Family Services, Department of Commerce and Community Affairs, Eastern Illinois University, Liquor Control Commission, and Southern Illinois University – did not have effective security controls for computer systems. Some of the available security features to safeguard information assets and to protect the integrity of information were not fully utilized by the agencies. Some of the significant control deficiencies were: available security features and monitoring tools were not used, comprehensive security policies did not exist, and passwords were not always required to be changed. We recommended that these agencies establish comprehensive security policies and procedures and implement suitable security parameters to protect information assets.

The Department of Commerce and Community Affairs did not have an effective information technology strategic planning process to effectively guide information technology activities. We recommended that the Department establish a steering committee and develop a strategic information technology plan.

The Department of Commerce and Community Affairs, Correctional Industries, and State Fire Marshal had deficiencies in the system development process that resulted in implementation delays and insufficient documentation. We recommended that these agencies ensure that all system development projects adhere to appropriate systems development standards.

Multiple agencies, including the Department of Commerce and Community Affairs, Eastern Illinois University, Illinois State University, State Board of Education, and Southern Illinois University, had weaknesses in disaster recovery planning for computer services. We recommended that these agencies assess the potential impact of a loss of

computer services on the delivery of services and formalize and test disaster recovery plans.

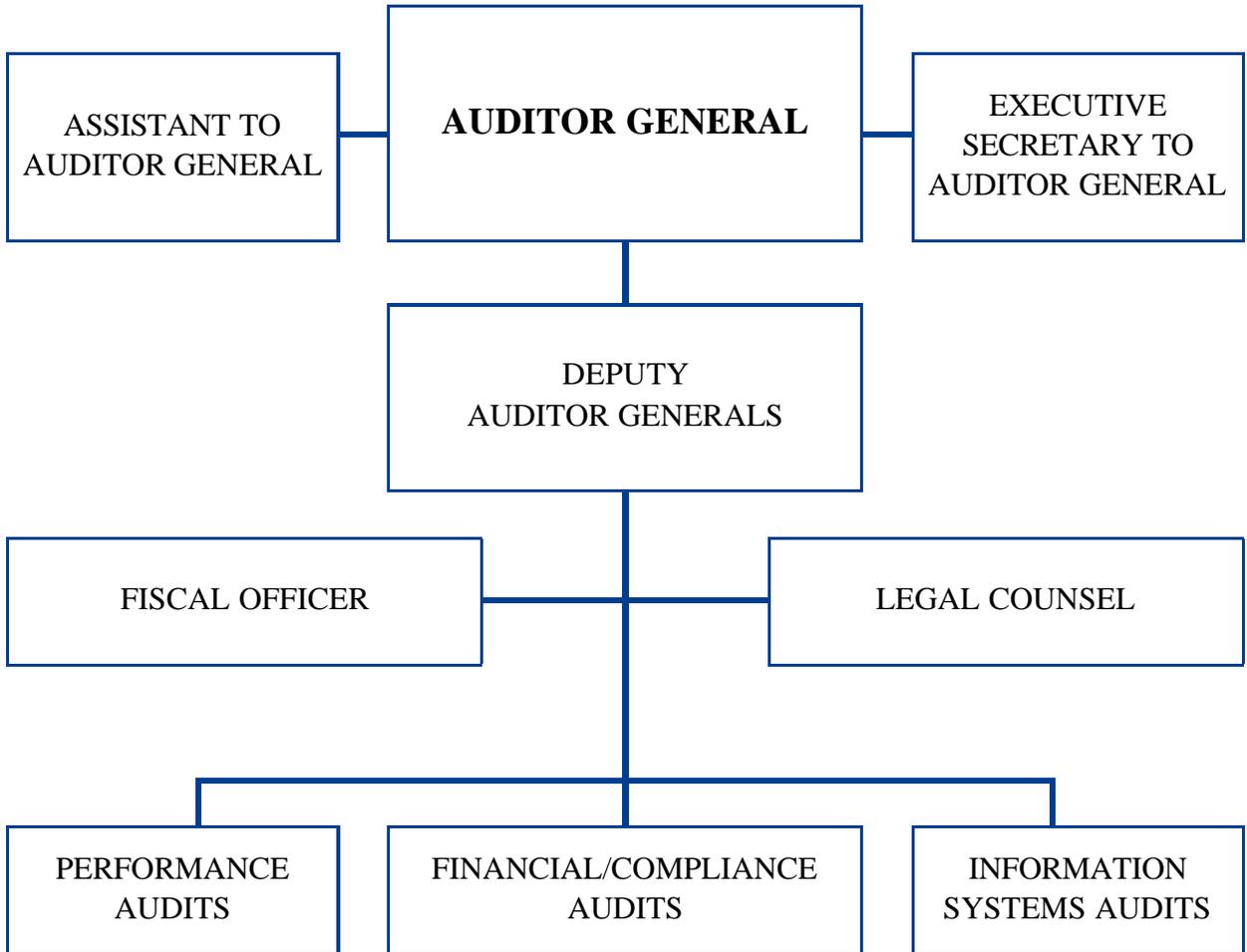
Agency officials generally concurred with our recommendations concerning these issues.

Information systems audit staff also reviewed the Generally Accepted Accounting Principles (GAAP) System at the Office of the Comptroller. This system is used to accumulate fiscal information from all State agencies into the State's comprehensive financial report. No significant problems were identified in the computational portion of the automated GAAP System.

The Information Systems Audit Division also provides audit staff and management with data processing support. ❖

ORGANIZATIONAL CHART

As of December 2003, there were 69 employees. Sixty-three were located in the Springfield office and six in the Chicago office. ❖



ORGANIZATION

CLAIMS DUE THE STATE AND METHODS OF COLLECTION

As required by law [30 ILCS 205/2 (k)], the Office of the Auditor General is reporting that there were no outstanding claims administered by the Office that were due and payable to the State as of December 31, 2003. The accounts receivables generated by our Office primarily represent billings to other State agencies for reimbursement of audit costs. Reimbursements for federal single audits are deposited into the General Revenue Fund. Reimbursements for audits not associated with federal single audits are deposited or transferred to the Audit Expense Fund. If normal collection methods fail, we request assistance from the Office of the Attorney General. To date we have never used the services of a private collection agency.



SUMMARY OF APPROPRIATIONS AND EXPENDITURES

The Office of the Auditor General was funded by appropriations from the General Revenue Fund and Audit Expense Fund for fiscal year 2003 (July 1, 2002 to August 31, 2003, including lapse period).

<i>FY 2003 - FINAL</i>			
	<i>Appropriation</i>	<i>Expended</i>	<i>Balance</i>
Personal Services	\$ 3,775,000	\$ 3,519,438	\$ 255,562
Employee Retire. (Employer)	151,000	134,707	16,293
State Retirement	389,600	361,458	28,142
Social Security	284,392	258,025	26,367
Contractual Services	500,000	490,926	9,074
Travel	24,600	18,342	6,258
Commodities	10,612	6,779	3,833
Printing	15,000	14,765	235
Equipment	16,296	15,425	871
EDP	26,500	26,143	357
Telecommunications	70,000	59,483	10,517
Oper. of Auto. Equip.	4,000	2,212	1,788
ROE Audits	701,800	668,135	33,665
Audits/Studies/Invest.*	13,472,300	11,768,818	1,703,482
TOTAL	<u>\$19,441,100</u>	<u>\$17,344,656</u>	<u>\$2,096,444</u>

**Audit Expense Fund*

FINANCIAL AND COMPLIANCE AUDITS

FOR THE PERIOD(S) ENDING JUNE 30, 2002 AND DECEMBER 31, 2002

F = Financial C= Compliance

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Attorney General	x	x	03-11-03
Capital Development Board	x	x	03-13-03
Chicago State University	x	x	06-12-03
Chicago State University Foundation	x		03-18-03
Comptroller - Fiscal Officer	x	x	06-19-03
Comptroller - Non-Fiscal Officer	x	x	06-19-03
Department on Aging		x	03-18-03
Department of Agriculture (DuQuoin Fair)		x	03-20-03
Department of Agriculture (IL State Fair)		x	03-20-03
Department of Central Management Services	x	x	03-13-03
DCMS - (Deferred Compensation Plan)	x		06-19-03
Department of Children and Family Services	x	x	04-29-03
Department of Commerce and Economic Opportunity	x	x	06-12-03
Department of Corrections - General Office	x	x	04-23-03
Dept. of Corrections, Correctional Center - <i>Big Muddy River</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Centralia</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Danville</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Decatur Women's</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Dixon</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Dwight</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>East Moline</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Graham</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Hill</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>IL River (Canton)</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Jacksonville</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Joliet</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Lawrence</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Lincoln</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Logan</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Menard</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Pinckneyville</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Pontiac</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Robinson</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Shawnee</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Sheridan</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Southwestern IL</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Stateville</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Tamms</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Taylorville</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Vandalia</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Vienna</i>		x	04-23-03
Dept. of Corrections, Correctional Center - <i>Western Illinois</i>		x	04-23-03

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Department of Corrections, Correctional Industries	x	x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Chicago</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Harrisburg</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Joliet</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Kewanee</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Murphysboro</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Pere Marquette</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>St. Charles</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Valley View</i>		x	04-23-03
Dept. of Corrections, IL Youth Center - <i>Warrenville</i>		x	04-23-03
Department of Employment Security	x		03-13-03
Department of Financial Institutions	x	x	02-25-03
Department of Human Services	x		04-03-03
Department of the Lottery	x	x	04-03-03
Department of Military Affairs		x	04-03-03
Department of Natural Resources		x	03-27-03
Department of Public Aid	x	x	06-12-03
Department of Revenue	x		03-13-03
Department of State Police		x	03-06-03
Department of Transportation	x	x	06-19-03
Department of Veterans' Affairs - General Office		x	04-03-03
Drycleaner Environmental Response Trust Fund Council		x	03-11-03
East St. Louis Financial Advisory Authority		x	03-11-03
Eastern Illinois University	x	x	04-16-03
Eastern Illinois University Alumni Association	x		04-03-03
Eastern Illinois University Foundation	x		04-03-03
Environmental Protection Agency	x	x	03-20-03
EPA - Trust Fund Commission	x	x	03-20-03
General Assembly - Retirement Systems	x		01-15-03
General Assembly - Retirement System		x	03-18-03
Governors State University	x	x	03-04-03
Governors State University Alumni Association	x		02-27-03
Governors State University Foundation	x		02-27-03
Health Care Cost Containment Council		x	02-20-03
Historic Preservation Agency	x	x	04-08-03
Illinois Community College Board	x	x	03-04-03
Illinois Conservation Foundation	x	x	03-27-03
Illinois Development Finance Authority	x	x	03-04-03
Illinois Farm Development Authority	x	X	04-03-03
Illinois Health Facilities Authority	x	x	02-25-03
Illinois Housing Development Authority	x	x	06-12-03
Illinois Mathematics and Science Academy	x	x	03-06-03
Illinois Mathematics and Science Academy Fund	x		03-06-03
Illinois Medical District Commission		x	03-13-03
Illinois Petroleum Resources Board		x	02-20-03
Illinois Racing Board		x	02-20-03

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
Illinois Rural Bond Bank	x	x	03-20-03
Illinois State Board of Investment	x		01-15-03
Illinois State Board of Investment		x	03-04-03
Illinois State Toll Highway Authority	x	x	07-15-03
Illinois State University	x	x	03-20-03
Illinois State University Foundation	x	x	03-20-03
Illinois Student Assistance Commission	x		06-12-03
Illinois Student Assistance Commission - Designated Account Purchase	x		03-06-03
Illinois Student Assistance Commission - Prepaid Tuition	x		03-06-03
Illinois Veterans' Home - <i>Anna</i>		x	03-27-03
Illinois Veterans' Home - <i>LaSalle</i>		x	03-04-03
Illinois Veterans' Home - <i>Manteno</i>		x	03-04-03
Illinois Veterans' Home - <i>Quincy</i>		x	03-04-03
Illinois Violence Prevention Authority		x	02-25-03
Industrial Commission - Self Insurer's Fund	x		03-11-03
Joint Committee on Administrative Rules		x	02-25-03
Judges Retirement System	x		01-15-03
Judges Retirement System		x	03-18-03
Judicial Inquiry Board		x	02-25-03
Kankakee River Valley Area Airport Authority	x	x	02-20-03
Law Enforcement Training Standards Board		x	03-06-03
Legislative Information Systems		x	02-25-03
Liquor Control Commission		x	02-25-03
Northeastern Illinois University	x	x	03-04-03
Northeastern Illinois University Foundation	x		02-27-03
Northern Illinois University	x	x	02-25-03
Northern Illinois University Alumni Association	x	x	02-25-03
Northern Illinois University Foundation	x	x	02-25-03
Office of Banks and Real Estate		x	03-11-03
Pollution Control Board		x	02-20-03
Prairie State 2000 Authority	x		02-25-03
Prisoner Review Board		x	02-20-03
Property Tax Appeal Board		x	03-11-03
Secretary of State	x		03-13-03
Sex Offender Management Board		x	02-25-03
Southern IL University	x	x	04-08-03
Southern IL University - Carbondale Alumni Association	x		02-27-03
Southern IL University - Carbondale Foundation	x		02-27-03
Southern IL University - Edwardsville Alumni Association	x		02-27-03
Southern IL University - Evergreen Terrace	x		02-27-03
Southern IL University - Edwardsville Foundation	x		02-27-03
Southern IL University - Physicians & Surgeons, Inc.	x		02-27-03
Southern IL University - University Park	x		02-27-03
Southwestern Illinois Development Authority		x	04-08-03
State Appellate Defender		x	04-08-03
State Board of Education	x	x	04-08-03

<i>AGENCY</i>	<i>F</i>	<i>C</i>	<i>DATE RELEASED</i>
State Employees' Retirement System	x		01-15-03
State Employees' Retirement System		x	03-18-03
State Fire Marshal		x	04-16-03
State Police Merit Board		x	02-20-03
State Universities Retirement System	x		01-15-03
State Universities Retirement System		x	03-18-03
State's Attorney's Appellate Prosecutor		x	02-20-03
Statewide Single Audit	x	x	07-23-03
Teachers' Retirement System	x		01-15-03
Teachers' Retirement System		x	03-13-03
Treasurer - Bright Start College Savings Program	x		03-27-03
Treasurer - Fiscal Officer	x	x	03-27-03
Treasurer - Illinois Funds	x	x	03-27-03
University of Illinois	x	x	03-27-03
University of Illinois Alumni Association	x	x	02-27-03
University of Illinois Foundation	x	x	02-27-03
University of Illinois - Prairieland Energy, Inc.	x	x	03-27-03
University of Illinois - Research Park, LLC	x	x	03-27-03
University of Illinois - Ventures, LLC	x	x	03-27-03
University of Illinois - Wolcott, Wood & Taylor, Inc.	x	x	02-27-03
Western Illinois University	x	x	03-27-03
Western Illinois University Foundation		x	03-18-03



PERFORMANCE AUDITS, INQUIRIES, & SPECIAL REPORTS

AUDITS IN PROGRESS

- Dept. of Central Management Services' Space Utilization Program
- Rend Lake Conservancy District
- Village of Robbins' Use of Municipal Economic Development Funds
- Department of Human Services' Office of Inspector General

12/03	Regulation of Grain Dealers and the Grain Insurance Fund	5/01	Tuition & Fee Waivers Follow-up
11/03	Grade Crossing Protection Fund	12/00	DHS Office of the Inspector General
9/03	Village of Robbins' Use of Municipal Economic Development Funds	6/00	Municipal Economic Development Fund Distributions: Village of Robbins
5/03	Illinois State Toll Highway Authority	3/00	Department of Public Aid: Child Support State Disbursement Unit
4/03	Teachers Academy for Mathematics and Science	11/99	Illinois Math & Science Academy
1/03	Group Workers Compensation Self-Insured Pools	9/99	Department of Public Aid's Contracts with Delta Dental
12/02	DHS Office of the Inspector General	8/99	Pilsen-Little Village Community Mental Health Center
8/02	Village of Robbins' Use of Municipal Economic Development funds	7/99	Medicaid Home Health Care & Regulation of Home Health Agencies
8/02	Department of Human Services' Early Intervention Program	6/99	State Fire Marshal's Fire Investigations
7/02	Department of Public Aid's KidCare Program	5/99	Illinois Health & Human Service Providers
4/02	Department of Human Services Early Intervention Program Follow-up	12/98	DHS: Inspector General
4/02	States Construction Contracting Methods	9/98	Comptroller's Offset System
1/02	Agency Use of Internet User Technology	6/98	Nursing Home Prescreening
10/01	EPA's Vehicle Emissions Testing Program	5/98	IDOT's Road Construction Program
9/01	Illinois Health Facilities Planning Board	4/98	Tuition & Fee Waivers
8/01	Board of Education and Other State Agencies Providing Funding to Regional Offices of Education	5/97	Professional Regulation – Physicians Regulated Under the Medical Practices Act
6/01	Village of Robbins' Use of Municipal Economic Development Funds	12/96	DMHDD – Office of the Inspector General
		6/96	IHSA – Site Selection for Boys Basketball Finals
		4/96	DMHDD – Reporting of Resident Abuse & Neglect
		5/95	Summer Unemployment at State Universities
		2/95	Laws Considered Obsolete
		1/95	Public Aid's Child Support Program
		12/94	Office of the Inspector General
		6/94	Toll Highway: Helicopters
		6/94	DMHDD: Abuse & Neglect
		5/94	Correctional Industries
		5/94	Central Management Services: Telecommunications

3/94	Collection of Money from Circuit Clerks	7/90	Debt Collection Practices of Illinois & Other States
1/94	State Housing Benefits	5/90	DMHDD: Abuse & Neglect
5/93	Public Aid: Property Transfers	4/90	Veterans' Affairs Field Office Closures
4/93	Office of the Inspector General	3/90	Illinois Competitive Access & Reimbursement Equity Program
4/93	Early Intervention Services System	1/90	Public Aid's Delta Dental
4/93	User Fees	12/89	Regional Transportation Authority
11/92	DMHDD: Abuse & Neglect	11/89	Illinois Sports Facilities Authority & the Chicago White Sox
7/92	St. Anne's Lease	11/89	Five State Retirement Systems' Financial Status
6/92	State Police I-SEARCH Program	10/89	Feasibility of Consolidating State Revenue Bond Agencies
5/92	Privatizing Weigh Stations	7/89	Commerce & Community Affairs' Economic Development Programs
4/92	Henry Horner's Children's Care	5/89	EPA's Hazardous Waste Management Program
3/92	Governor's Council on Health & Physical Fitness	4/89	Selected Auditor Comparability: Jobs & Pay
3/92	Case Management Practices	2/89	AIDS Testing: Statutory Requirements & Costs
1/92	State Legal Services	1/89	Public Univ. Instructional Costs
11/91	State Regulation of Insurer Solvency	1/89	Vehicle Emissions Testing Program
8/91	Higher Education "Systems of Systems"	10/88	U of I Athletic Association
7/91	Eastern Illinois University Coal Conversion Project	8/88	JTPA
6/91	Special Analysis: Build Illinois	7/88	Audit Status of Circuit Courts
5/91	Availability of Obstetric Care	6/88	Dept. of Revenue - Corporate Income Tax
5/91	Collection of Sales & Taxes Receivable	5/88	State Program of Internal Auditing
5/91	Property Forfeited Under the Illinois Controlled Substances Act	7/87	Computer Acquisition & Use in Higher Education
3/91	Illinois Competitive Access & Reimbursement Equity Program	6/87	Chicago Housing Authority
3/91	Nutritional Services Paid by the Department of Children & Family Services	6/87	Cash Management Practices
2/91	Illinois Multi-Year Fixed Contractual Obligations	4/87	State Laboratory Services
2/91	Administrative Citations: Environmental Protection Agency	4/87	U of I Hospital & Affiliated Clinics
10/90	Project Chance Evaluation Contract	4/87	Chicago's Use of State Appropriated Funds
10/90	Frequent Flyer Programs	10/86	State Pensions Assets Investment Performance
8/90	Parents Too Soon Program		
7/90	State University Tuition & Fee Policies & Practices		

10/86	CMS – Lottery Building Lease	5/83	Contractual Legal Services
10/86	Property Management Problems – Mental Health Centers	4/83	Industrial Commission
5/86	Illinois Preferential Procurement Programs	12/82	Procurement Policies & Procedures
4/86	State Toxicology Lab	7/82	Criminal History Components
4/86	Legislative Printing Unit	4/82	Financing of Improvements of Rock Island State Park
4/86	Engineering Programs in Illinois – NIU	1981	Chicago Road Fund
3/86	Claims & Accounts Receivable	12/81	DMHDD: Region 2
3/86	Capital Development Board:Construction of the State of Illinois Center	11/81	Procurement of Real Property
2/86	Illinois Commerce Commission	10/81	Registration & Education: Investigation & Enforcement Functions
2/86	Advisory Boards & Commissions	1/81	Licensing & Regulation of Bingo
11/85	Data Security Practices	1/81	Chicago Bd. of Education
11/85	Hazardous Waste Management	12/80	Nursing Home Reimbursement System
9/85	Management & Collection of Claims Receivable	12/80	DCFS Day Care Activities
3/85	Perinatal Medical Care	11/80	Dept. of Personnel Management
10/84	State Employee Travel	10/80	Public Aid’s Local Office Management
10/84	Feasibility Study: Rock Island Co. Facility	9/80	Licensing of Grain Dealers
9/84	Employment Security Unemployment Insurance	7/80	Illinois Fair Employment Practices Commission
8/84	Salaried Non-working Time Benefits	6/80	Secretary of State Vending Services
8/84	Responsible Relative Requirements	5/80	Coastal Zone Management
5/84	Board of Investment: Five State Retirement Systems	1/80	Court of Claims
10/83	Commerce Comm.: Management Audits of Public Utilities	1/80	Cook Co. Health & Hospitals



AUDITS